

NO. 20002

IN THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

TOOL RESEARCH AND
ENGINEERING CORPORATION,

Appellant,

vs.

HONCOR CORPORATION,

Appellee.

*See also
Vols. 3349
3350
3366*

APPELLANT'S PETITION FOR REHEARING

APPEAL FROM
THE UNITED STATES DISTRICT COURT FOR
THE CENTRAL DISTRICT OF CALIFORNIA

FILED

OCT 23 1966

WM. B. LUCK, CLERK

MAHONEY, HALBERT & HORNBAKER
THOMAS P. MAHONEY
ROBERT D. HORNBAKER

401 Wilshire Boulevard
Santa Monica, California 90401

Attorneys for Appellant

NO. 20002

IN THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

TOOL RESEARCH AND
ENGINEERING CORPORATION,

Appellant,

vs.

HONCOR CORPORATION,

Appellee.

APPELLANT'S PETITION FOR REHEARING

APPEAL FROM
THE UNITED STATES DISTRICT COURT FOR
THE CENTRAL DISTRICT OF CALIFORNIA

MAHONEY, HALBERT & HORNBAKER
THOMAS P. MAHONEY
ROBERT D. HORNBAKER

401 Wilshire Boulevard
Santa Monica, California 90401

Attorneys for Appellant

TOPICAL INDEX

	<u>Page</u>
APPELLANT'S PETITION FOR REHEARING	1
CERTIFICATE	6

TABLE OF AUTHORITIES

Cases

Smith & Griggs Mfg. Co. v. Sprague, 123 U.S. 249 (1887)	1, 2, 3, 4, 5
--	---------------

Rules

Rules of the United States Court of Appeals For the Ninth Circuit:	
Rule 23	1

IN THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

TOOL RESEARCH AND
ENGINEERING CORPORATION,

Appellant,

vs.

HONCOR CORPORATION,

Appellee.

APPELLANT'S
PETITION FOR REHEARING

Appellant, Tool Research and Engineering Corporation, petitions for a rehearing under Rule 23 on the grounds that this Court misapplied Smith & Griggs Mfg. Co. v. Sprague, 123 U. S. 249 (1887), in its Opinion sustaining the lower Court's holding of invalidity of U. S. Letters Patent No. 2,975,263.

After stating that none of the previously considered rules "quite compel a result here", this Court turned to Smith & Griggs, supra, and erroneously concluded:

"... that the sale of a product made by a machine not identical with the one patented constituted a public use...."

In Smith & Griggs, supra, the Supreme Court held claims 1, 2, 3, 4, and 6 of Sprague patent No. 228,136, and claims 2, 3 and

5 of patent No. 231,199 invalid because of a public use of a machine which was identical with said claims more than two years prior to the application date of December 2, 1878.

But the Court held claims 5 of patent No. 228,136 and claims 1 and 4 of patent No. 231,199 valid and infringed. These claims were directed to improvements which were made within the two-year period. Therefore, the claims which were not identical with the machine in public use were held valid and infringed, even though the Court stated: "These changes, which are apparently not of great importance, perfected the invention, and enabled the inventor to take the final step between partial and complete success." (p. 255)

Therefore, this Court's statement that Smith & Griggs, *supra*, supports its affirmation of the holder of the lower Court's invalidity of the preformed core strip method claims because of the alleged public use of the flat pack method is entirely contrary to the facts and holding of Smith & Griggs, *supra*.

Smith & Griggs, Mfg. Co. v. Sprague, actually supports the following analogy:

A. The original Sprague machine claimed in the invalid claims of Sprague may be considered the equivalent of the flat pack method which was allegedly in public use; and

B. The improvements in the machine which were the subject matter of the claims held valid in Smith & Griggs, *supra*, were the equivalent of the improved nonidentical preformed core strip method defined in the claims of Green,

et al.

Consequently, instead of supporting this Court's position that nonidentical improvements of the preformed core strip method over the flat pack method were invalid because of the alleged public use of the flat pack method, Smith & Griggs, supra, supports appellant's contention that, not having been in public use and being nonidentical, the claims to the preformed core strip method are valid claims.

Additionally, the Supreme Court stated that if the inventor had patented "the entire machine as he ultimately constructed and operated it, considered as a unit" (p. 255), rather than claiming the specific improvements as subcombination claims, the resulting combination claims would be valid despite the public use of certain elements of those claims directed to the earlier machine.

The Supreme Court reasoned that the machine in public use "would have been imperfect, and incomplete and merely experimental, until it had received from its inventor every element necessary to its operation" (p. 255).

The Court made the foregoing holding and statements in spite of the fact that "there was no real effort to keep the use of the machine secret" (Op. 8) and "the alterations made in the machine in question, however useful were not vital to its organization. Without them it could and did work so as to be commercially successful" (Op. 8) and the changes were "apparently not of great importance" (p. 255).

In Smith & Griggs, supra, the Supreme Court concluded that the use of the original, unimproved machine was not experimental,

but it held, further, that the public use of the original machine did not invalidate the claims to the improvements made during the two-year statutory period before the filing of the respective Sprague patent applications.

Further, in Smith & Griggs, supra, while the Supreme Court found that the changes in the Sprague machine "are apparently not of great importance" that they "perfected the invention and enabled the inventor to take the final step between partial and complete success" (p. 255). This is exactly the situation in the present case because the steps defined in the preformed core strip method claims, even if considered to be "not of great importance", perfected the invention.

Therefore, Smith & Griggs, supra, actually supports the following contentions which were made by appellant in regard to the preformed core strip method claims:

1. The sale of a product made by a method not identical with the one patented did not constitute a public use;
2. There is no requirement that experiments be kept secret to avoid the statutory bar; and
3. Minor alterations which perfect a machine or method are patentable despite the public use of the un-patented machine or method.

The Court in Smith & Griggs, supra, held that a sale which is "incident" to the testing of a machine for the purpose of perfecting it, does not destroy the experimental nature of the testing (p. 256).

In the instant case, the fact situation did not, in any way, reflect a long period of commercial public use and sale as it did in

Smith & Griggs, supra. As a matter of fact, there never was a sale of the honeycomb core material manufactured by the preformed core strip method prior to the filing of the Green, et al patent application, nor a public use of the exact method patented, as this Court indicated (Op. 7). Moreover, the five sales of flat pack material, although not subject to a secrecy limitation, were not the result of extensive commercial exploitation as in the case of the first Sprague machine, but were samples of core for experimental use. After the first five sales, a later sale, after the filing of the Green, et al application, involved a piece of core found lying under a workbench, which certainly indicates the lack of commercial activity in the sale of the product.

None of the core made by the flat pack method and sold more than one year prior to the filing date was distributed in the commercial manner of the products of the first machine of Sprague.

Testing continued and numerous changes were made in arriving at the preformed core strip method which differed from and perfected the flat pack method. Only a few pieces of flat pack core were sold before the critical date, for the total price of approximately Six Hundred Dollars (\$600.00). Can this be said to be the commercial sale of a product which has for its dominant purpose profit and not experimentation?

Respectfully submitted,

MAHONEY, HALBERT & HORNBAKER
THOMAS P. MAHONEY
ROBERT D. HORNBAKER

Attorneys for Appellant.

CERTIFICATE

I certify that in my judgment the foregoing Petition for Rehearing is well founded and is not interposed for delay.

I further certify that, in connection with the preparation of said Petition, I have examined Rules 18 and 19 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the said foregoing Petition is in full compliance with those rules.

/s/ Thomas P. Mahoney
THOMAS P. MAHONEY

